



**TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2003-23  
March 11, 2003  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

March 2003

**After repeatedly not correcting problems noted in prior audits, the St. Louis City Circuit Clerk's Office has implemented or partly implemented 90 percent of the previous recommendations.**

**This audit follows up on the 51 recommendations from our April 2000 report and focuses on the Circuit Clerk's Office records for the year ended June 30, 2002. Of the previous 51 recommendations, the office has implemented 32 (63 percent), partially implemented 14 (27 percent), and not implemented 5 (10 percent).**

**This report covers the recommendations not implemented and notes the progress on the partially implemented actions. In all cases, the Circuit Clerk agreed with the recommendations. The following highlights the continued concerns.**

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Open Items

The Circuit Clerk's Office has two main cash handling divisions - civil and criminal, each with two separate bank accounts. Account I represents monies received for cases filed before January 1, 1999, and account II represents monies received for cases filed after January 1, 1999.

At June 30, 2002, the open items list indicated the court was holding over \$9.7 million in deposits for the civil account I. However, the accuracy of the case balances on the open items lists for the civil accounts is in doubt due to various problems regarding the computer system. This has delayed the disbursement of these monies.

Our prior audit revealed numerous differences between the computer system and the manual case files. The Circuit Clerk's Office personnel have investigated these differences, identified the causes, and corrected the problem or adjusted their procedures to ensure similar differences do not occur in cases filed after January 1, 1999. However, the personnel have concluded that they need to manually agree the case file information to the computer system for all cases filed prior to January 1, 1999, before they can disburse these funds. Because the office has limited financial resources and personnel to devote to resolving the differences and disbursing the monies being held, it is estimated that it will take many years for the office to disburse the monies held in civil account I. The audit also noted the office is holding partial payments of court costs collected on criminal cases prior to January 1999.

(over)

YELLOW SHEET

Old, inactive case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on personnel resources. Failure to prorate available monies when it is unlikely the balance will be collected, deprives the state and city of the use of those monies.

The State Auditor has again recommended the Circuit Clerk disburse monies on old cases in a more timely manner. If additional amounts are owed on old cases and it appears unlikely these amounts will be collected, a court order should be obtained to write off the balances due on the cases.

The open items listing for the civil accounts (accounts I and II) does not reconcile to the account balance. The open items listing totaled approximately \$10,482,000 as of June 30, 2002. The reconciled account balances at June 30, 2000, were approximately \$9,812,000 indicating a shortage of approximately \$669,000.

The monthly open items listing has not been reconciled to the garnishment account balance since September 2001. The open items listings at June 30, 2002, exceeds the garnishment account balance by \$38,448.

A complete criminal open items listing was not maintained prior to January 1, 1999. At June 30, 2002, the criminal account balances totaled approximately \$2,661,000 which exceeded the open items listing by approximately \$1,246,000. This difference will be decreased once court personnel are able to identify the open items from prior to January 1999.

There continues to be a need for the Circuit Clerk's Office to maintain and periodically reconcile open-items listings to the balances in the various accounts. Any unidentified or unclaimed monies should be disposed of in accordance with state law.

#### Outstanding Checks

At June 30, 2002, the Circuit Clerk's Office had approximately \$461,000 in outstanding checks that had been held for a considerable amount of time without adequate follow up to dispose of the checks. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks.

#### Accrued Costs Receivable

Individual accrued court costs receivable balances are maintained on the civil computer system for each case; however, a receivables list is not maintained to summarize total amounts due from plaintiffs, defendants, and the city. An accrued cost listing would allow the Circuit Clerk to more easily review the amounts owed to the court and take appropriate steps to follow up on initial billings to ensure all amounts owed are collected on a timely basis.

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TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE

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## STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Presiding Judge and Court en banc  
And  
Honorable Mariano V. Favazza, Esq., Circuit Clerk  
Twenty-Second Judicial Circuit  
St. Louis, MO 63103

We have audited the Twenty-Second Judicial Circuit, Circuit Clerk's Office (office). The scope of this audit included, but was not necessarily limited to, the year ended June 30, 2002. The objective of this audit was to follow-up on the status of recommendations made in Report No. 2000-28: Twenty-Second Judicial Circuit, Circuit Clerk Fund for the period of six months ended December 31, 1998, and the year ended June 30, 1998; and Report No. 99-39: Special Review of the Twenty-Second Judicial Circuit, Circuit Criminal Division - Finance Department - Cash Bond Deposits.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the office records we deemed necessary, made inquiries of office employees, and examined other documents as deemed appropriate for the audit.

As part of our audit, we assessed the office's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation.

Our audit was limited to the specific matter described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in the audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the Twenty-Second Judicial Circuit, Circuit Clerk's Office.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill  
State Auditor

November 1, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

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MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS



TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1.</b>	<b>Open Items</b>
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The Circuit Clerk's Office has several accounts with monies held for inactive cases and incomplete and inaccurate open items listings. The two main cash handling divisions - civil and criminal, each have two separate bank accounts. Account I represents monies received for cases filed before January 1, 1999, and account II represents monies received for cases filed after January 1, 1999. In addition, the office has a garnishment account.

- A.1. At June 30, 2002, the open items list indicated the court was holding \$9,767,000 in deposits for the civil account I. These deposits were either insufficient to cover all court costs charged in the case, the defendant had not paid the costs as ordered or the case had not been closed. However, the accuracy of the case balances on the open items lists for the civil accounts is in doubt due to various problems regarding the computer system. This has delayed the disbursement of these monies.

The civil financial records are maintained on an old computer system that was implemented in the 1980's. Our prior audit revealed numerous differences between the computer system and the manual case files. These differences included fees shown on the open items list that had been disbursed, individual open items not agreeing from the listing to the financial records, negative balances on the listing, and some types of fees that were not included on the open items listing when they should have been. Circuit Clerk's Office personnel have investigated these differences, identified the causes, and corrected the problem or adjusted their procedures to ensure similar differences do not occur in cases filed after January 1, 1999. However, the personnel have concluded that they need to manually agree the case file information to the computer system for all cases filed prior to January 1, 1999, before they can disburse these funds.

The office has limited financial resources and personnel to devote solely to investigating the open items listings of the civil accounts. They currently have one contract employee who is investigating the open items listing and prorating and disbursing all funds on disposed cases. According to court personnel, this employee can examine approximately 50 cases in a day. At this rate, working 115 hours a month, it will take this employee approximately 16.5 years to examine and dispose of all the items on the civil accounts open items listing. Between June 30, 2000 and October 31, 2002, these efforts have resulted in a reduction of the total open items of approximately \$238,000.

2. The office is holding partial payments of court costs collected on criminal cases prior to January 1999. Prior to that date, partial payments were not applied or prorated to court costs until a significant portion of the amount due was collected. Court personnel are currently reviewing partial payments received prior to January 1, 1999, and entering the correct open items information into the new criminal cashier system so a complete and accurate open items listing can be generated and partial payments can be prorated and disbursed.

Old, inactive case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on personnel resources. In addition, failure to prorate available monies when it is unlikely the balance will be collected, deprives the state and city of the use of those monies. Sections 447.500 through 447.595, RSMo 2000 (which relate to unclaimed property), should be used to disburse any unidentified or unclaimed monies. In addition, if additional amounts are owed on old cases and it appears unlikely these amounts will be collected, a court order should be obtained to write off the balances due on the cases.

B.1. The open items listing for the civil accounts (accounts I and II) does not reconcile to the account balance. The open-items (liabilities) listing totaled approximately \$10,482,000 as of June 30, 2002, and included approximately 141,000 cases. The reconciled account balances at June 30, 2002, were approximately \$9,812,000 indicating a shortage of approximately \$669,000. As noted above, the accuracy of the open items listing is in doubt.

2. The monthly open-items listing has not been reconciled to the garnishment account balance since September 2001. Open items at September 30, 2001, were approximately \$150,200, which exceeded the balance in the account at that date by approximately \$82,500. Court personnel had monitored this difference from May to September 2001, on a daily basis, and the difference remained consistent. The cause of the difference had not been completely identified by court personnel; however, a portion of the difference is caused by limitations in the computer system. The computer system does not allow voided and re-issued checks to be entered so manual records were maintained by previous bookkeepers to track adjustments. All of these manual records have not been located and the completeness of those records is questionable.

The open items listing at June 30, 2002, exceeds the garnishment account balance by \$38,448. This difference, however, does not include various adjustments that must be taken into consideration in reconciling the amounts. In addition, we noted 38 items, totaling approximately \$4,200, on the June 30, 2002 listing were more than a year old. Garnishment receipts are to be disbursed within ten days according to local court rules. The office should investigate and disburse these items. If the payees cannot be located, the amounts should be disposed of in accordance with Sections 447.500 through 447.595, RSMo 2000, as applicable.

3. A complete criminal open items listing was not maintained prior to January 1, 1999. A spreadsheet was used to track open items from January 1999 to January 2002. A new computer system was implemented in January 2002, which tracks financial transactions, including open items. At June 30, 2002, the criminal account balances totaled approximately \$2,661,000 which exceeded the open items listing by approximately \$1,246,000. This difference will be decreased once court personnel are able to identify the open items from prior to January 1999. In addition, approximately \$107,000 in adjustments for voided checks and "stop payment" checks have been accounted for in the criminal "miscellaneous" liability account and have been held since 1995. These adjustments will increase the open items listing once they are identified. A review should be made of all open bonds to determine if the bonds have been forfeited and monies paid over to the city treasury as provided by Section 479.210, RSMo 2000. Bonds which have not been forfeited and remain unclaimed for one year or more, should be turned over to the state's Unclaimed Property Division as required by Section 447.595, RSMo 2000.

A periodic listing of open-items, along with a reconciliation to the account balances, are essential tools in ensuring that all records are in balance and that sufficient assets exist to cover the liabilities. To help prevent possible misappropriations of funds and to ensure that liabilities are ultimately distributed to the proper parties, an accurate and updated listing of all liabilities should be maintained and reconciled to the cash balance.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the Circuit Clerk :

- A. Disburse monies on old cases in a more timely manner and identify those cases which contain uncollectible court costs and obtain a court order to close those cases.
- B. Maintain and periodically reconcile open-items listings to the balances in the accounts. Old garnishment receipts and unclaimed bonds should be disposed of in accordance with state law.

### **AUDITEE'S RESPONSE**

- A.1. *We agree to disburse monies on old cases in a more timely manner and obtain a court order on the cases with uncollectible court costs. The office has reasonably concluded that the office's open items records prior to 1999 are not reliable to be used without further verification prior to disbursing based solely on the data contained in the open item records. The office bases its conclusion on the findings of the prior audit and our own observations. In that audit, the open items records (pre 1999) indicated that the office held more money than what the office actually had on deposit. The difference was in excess of several hundreds of thousands of dollars. As such, the office thinks that certain reasonable measures need to be taken prior to disbursing monies. In the past*

*eighteen (18) months the office has begun to focus more on the work entailed in this process. During that period the office has disbursed over \$394,000. Our experience has demonstrated that this process as it is currently being conducted is time intensive. The office recognizes the need for faster results.*

*The office plans to meet the goal of speeding up the process without abandoning the necessary safeguards against errors through the use of automation. The Finance Department is developing a set of criteria that it thinks will properly tax and disperse court costs. Once the set of criteria is established, the office will have its vendor create software which will apply that set of criteria to old closed files. Files which do not meet the criteria will then be sorted out and will be processed by the labor/time intensive method currently being used. Once the software has been developed, it and the set of criteria will be tested in a test mode to determine that the software is performing as planned and that the set of criteria is properly identifying funds which can be validly disbursed. We anticipate that we will be testing this software in the next three months, and anticipate its implementation for live use in the next six months. We hope that this plan will result in a significant increase in the number of old cases being taxed in a day.*

*Our goal is to review the progress of this project every six months to evaluate the continuing feasibility of accurately disbursing the open-items monies to the appropriate parties. In anticipation of our success, the office transferred \$500,000 of the open-items funds to an account from which the office will disburse funds to the appropriate parties. We will continue to evaluate the need to transfer additional funds from the investment accounts to the disbursement accounts to cover future disbursements caused by the success of our plan of action .*

- A.2. We agree. The Bookkeeping Department is currently working on creating an open-items listing via an Excel spreadsheet for all cases initiated between January 1, 1997 through December 31, 1998. This is a time intensive process because a staff person has to enter the receipt information from the one-write receipt ledger (McBee) and the check issued information on the spreadsheet. After this project is completed, we will enter the identified open items into the new Criminal Cashier System.*

*We will repeat the same process with 1996 and prior years until we are unable to identify anyone else for whom we are holding monies. At that time we will disburse those funds pursuant to statute.*

*Our goal is to have this fully implemented within eighteen months.*

- B. We agree. We will establish procedures for reconciling our current open-items listings to the balances in the bank accounts. Then, we will start the process of identifying why there are differences between the two records.*

*The State Treasurer's Office has been assisting us in identifying whether the monies we hold are unclaimed.*

*Our goal is to have this fully implemented within eighteen months.*

<b>2. Accounting Controls and Procedures</b>
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A. At June 30, 2002, the Circuit Clerk's Office had approximately \$461,000 in outstanding checks that had been held for a considerable amount of time without adequate follow up to dispose of the checks. In addition to the accounts discussed in MAR 1, the office has two child support accounts. Account I contains monies received prior to the conversion to the Missouri Automated Child Support System (MACSS) in September 1998, and account II contains monies received after the conversion date. The following accounts have outstanding checks held in excess of one year.

- 1) The child support account II contains outstanding checks totaling approximately \$39,000 that have been outstanding for more than one year. Some of these outstanding checks date as far back as 1998. The Circuit Clerk's Office does not have an outstanding checklist for the child support account I. The account balance of approximately \$214,000 is believed by court personnel to represent outstanding checks issued prior to the implementation of MACSS.
- 2) The civil account I includes approximately \$68,000 from checks that have been outstanding for more than one year. Some of these outstanding checks date as far back as 1997. The civil account II includes approximately \$22,000 from old outstanding checks.
- 3) The garnishment account includes approximately \$38,000 from old outstanding checks. Some of these outstanding checks date as far back as 1997.
- 4) The criminal account I includes approximately \$600 from old outstanding checks. The criminal account II includes approximately \$7,200 from old outstanding checks.
- 5) The office has an additional account with a balance of approximately \$5,400. An outstanding checklist is not maintained for this account. Court personnel believe the balance is made up of outstanding checks from criminal cases voided during the term of the previous circuit court clerk.

Follow-up was made on the civil, garnishment and criminal accounts by letter in March and October 2001 to determine the status of these checks. The follow-up

logs indicate several letters were returned undeliverable. In addition, the Circuit Clerk has an internet site listing those individuals with outstanding child support checks. Personnel indicated they have received several responses due to the internet site.

These old outstanding checks create additional and unnecessary record-keeping responsibilities. Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If the payees cannot be located, the amounts should be disposed of in accordance with Sections 447.500 through 447.595, RSMo 2000, as applicable.

- B. Individual accrued court costs receivable balances are maintained on the civil computer system for each case; however, a receivables list is not maintained to summarize total amounts due from plaintiffs, defendants, and the city. A receivables list is not part of the regular computer reports, and special programming is needed to generate a receivable list or the court personnel can run a query of the financial system to generate an estimated receivables list. Office personnel have done limited test work on the receivables queries and they are unsure of the accuracy of the listings. In addition, the system still has cases dating back to the 1980's with accrued costs. A control account would assist the office in ensuring the accrued court cost records remain intact and in verifying the postings of collections and amounts due. A listing of accrued cost receivable balances should be reconciled periodically to the control account. An accrued cost listing would allow the Circuit Clerk to more easily review the amounts owed to the court and take appropriate steps to follow up on initial billings to ensure all amounts owed are collected on a timely basis.

Similar conditions were noted in our prior report.

**WE AGAIN RECOMMEND** the Circuit Clerk:

- A. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. In addition, the clerk should develop procedures to periodically follow up on outstanding checks so the checks can be disbursed in a timely manner.
- B. Maintain a listing of and periodically follow up on accrued costs.

**AUDITEE'S RESPONSE**

- A. *We agree. We are currently in the process of voiding the old outstanding checks on the various bank accounts. After this process is completed, we will start disbursing the unclaimed monies to the State Treasurer's Office.*

*In addition, we will continue the process of sending out letters to payees with checks outstanding more than six months. We will reissue checks to those individuals who respond to the letters. After we have exhausted all reasonable means of locating the payees, we will disburse the unclaimed monies to the State Treasurer's Office. We will establish written procedures on following up on outstanding checks.*

*Our goal is to have this fully implemented within 6 months.*

- B. We agree that a listing of accrued costs should be maintained and periodic follow up should be performed. We will work with the software system's designers to create a computerized report of accrued costs. In addition, we will establish a formal policy on collecting unpaid court costs and writing off uncollectible costs.*

*Our goal is to have this fully implemented within 1 year.*

## FOLLOW-UP ON PRIOR AUDIT FINDINGS



TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Twenty-Second Judicial Circuit, Circuit Clerk's Office on findings in the Management Advisory Report (MAR) of our prior audit report issued for the Circuit Clerk Fund for the six months ended December 31, 1998 and year ended June 30, 1998; and our prior special review report of the Circuit Criminal Division - Finance Department - Cash Bond Deposits.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the Circuit should consider implementing those recommendations.

TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK FUND  
SIX MONTHS ENDED DECEMBER 31, 1998  
AND YEAR ENDED JUNE 30, 1998

1. Criminal Division - Cashier's Office

- A.1. The door to the safe was frequently left open and the cashier's supervisor and assistant finance manager were not always in the room to watch over the safe contents.
- 2. The numerical sequence of prenumbered receipt slips was not accounted for properly. Cashiers also frequently changed information entered on receipt slips through the use of "white-out", carbon paper, or other means.
- 3. Differences between the daily one-write pages and deposit totals were not adequately documented or explained in the accounting records. In addition, the cashier supervisor frequently changed the payment information entered on receipt slips from cash to money order and vice-versa.
- 4. Receipts were not always deposited in a timely manner.
- B.1. Accounting duties and issuing and canceling warrants were not adequately segregated and there was no independent reconciliation between the general ledger accounts and totals recorded on the cash control records, one-write receipt ledgers, and disbursement vouchers.
- 2. The duties of entering case payment information and issuing and canceling warrants were not adequately segregated.

3. Payments recorded on the Regional Justice Information System (REJIS) were not reconciled to payments recorded in the one-write receipt ledgers.
- C. A reconciliation between the bank statement and the general ledger and cash control records was not performed and differences between the bank statement and transactions recorded in the cash control records and general ledger were not investigated or reconciled. In addition, numerous errors were made by the bookkeeper when posting receipts and disbursements to the various accounting records. Also, some check sequences and voided check sequences were never recorded in the disbursement journal or transfer journal.
- D.1. Approximately \$107,757 in unidentified monies had been held for the past several years. In addition, the general ledger liability account balances were not periodically reconciled with the cash balance. At December 31, 1998, total liabilities exceeded the cash balance by \$42,643.
2. An open-items listing associated with collected partial payments held in trust was not prepared and was not reconciled to the cash balance.
  3. The bond open-items listing at December 31, 1998, included numerous old bonds, some which had been held over fifteen years.

Recommendation:

The Circuit Clerk:

- A.1. Ensure the Criminal Division's safe remains locked at all times.
  2. Ensure the numerical sequence of all receipt slips issued is accounted for properly. In addition, void and retain incorrectly written receipt slips and thoroughly document any changes to the receipt records.
  3. Ensure a documented reconciliation of receipts slips issued to monies deposited is performed by someone independent of cash receiving or recording functions. All differences should be investigated in a timely manner and their resolution documented.
  4. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- B. Provide for adequate segregation of duties and ensure that independent reconciliations and reviews of accounting records are performed. In addition, ensure the receipt slip number and amount paid is included for all receipts recorded into the computer and receipts recorded on REJIS are reconciled to receipts recorded in the one-write receipt ledgers.

- C. Prepare complete and accurate bank reconciliations. In addition, ensure transactions recorded in various accounting records agree with information recorded in source documents (such as the one-write ledger and check reports).
- D. Prepare and maintain a separate open-items listing for each general ledger account and reconcile balances to bank and book balances. In addition, all monies currently held in the old checking account should be identified and properly disbursed, if possible. Unclaimed bonds should be disposed of in accordance with state law. Any monies that cannot be identified should be disbursed to the State Treasurer's Unclaimed Property Section in accordance with state law.

Status:

A-C. Implemented.

- D. Partially implemented. The office has made progress in ensuring that open items since January 1999 have been properly recorded; however, the office is still researching the status of old cases filed before January 1999 and adding these amounts to the records as they are verified. See MAR finding number 1.

2. Costs for Criminal Cases

- A. A listing of accrued costs and restitution owed to the court was not maintained by the Circuit Clerk and monitoring procedures related to accrued costs were not adequate.
- B. Fees and fines collected by the Circuit Clerk were not remitted in a timely manner.
- C.1. The Criminal Division had not submitted criminal cost billings for the court costs to the state on a timely basis.
  - 2. When transmitting criminal cost bill reimbursements to the city, the Circuit Clerk did not provide the information necessary for the city to allocate and disburse the monies to the appropriate parties.
  - 3. The Criminal Division sent a criminal cost bill to the St. Louis City Comptroller's Office when a defendant was sentenced to St. Louis City's medium security institution (MSI). However, the court never received any reimbursement from the city.
- D. The Criminal Division did not collect crime victims' compensation (CVC) judgments from defendants assigned to MSI.
- E. The court had no set procedures as to which costs would be paid first when disbursing partial payments and the amount paid was not prorated among the various costs. The court did not periodically review misdemeanor case files with accrued costs to determine uncollectibility.

Recommendation:

The Circuit Clerk:

- A. Maintain a complete listing of accrued costs and restitution and establish procedures to routinely follow-up and pursue timely collection.
- B. Ensure all fees and fines collected are remitted monthly in accordance with state law. In addition, verify and disburse all monies collected in prior periods due to the state, city, and Board of Education.
- C.1. Submit criminal cost billings to the state on a timely basis.
- 2. Provide St. Louis City with the information necessary to allow the Treasurer and Comptroller to allocate and disburse criminal cost reimbursements received from the state. In addition, the Circuit Clerk's Office should identify similar fees from prior years and ensure those additional amounts are properly disbursed. Ensure remittances from the State of Missouri for reimbursement of court costs are turned over to the city treasurer upon receipt.
- 3. Develop a system to monitor criminal costs billed to the city, including all past billings, and work with the city to ensure those criminal costs are disbursed to the appropriate parties, including the state.
- D. Establish procedures to ensure the collection of CVC judgments due from defendants sentenced to MSI and disburse these funds as required by state law.
- E. Prorate any partial payments received among the various costs. In addition, identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases.

Status:

- A. Partially implemented. The new criminal computer will print an accrued cost listing for cases entered into the system after January 2002. In addition, defendants from current cases are required to pay court costs immediately following their court appearance. Defendants making partial payments are required to appear in court on a monthly basis to make their payments. A warrant is issued for a defendant's arrest if payment is not received on time. As time and personnel resources allow, the office is reviewing the old manual records and entering partial payments into the computer so these monies can be disbursed and the office can obtain an accurate listing of monies due to them. Although not repeated in the current MAR, the recommendation remains as stated above.

B. Partially implemented. The office disburses fees semimonthly. They are investigating the old bank accounts and manual records to determine if there are additional fees due to the state, city, and Board of Education. Although not repeated in the current MAR, the recommendation remains as stated above.

C.1

&3. Implemented.

C.2. Partially implemented. A receipt coding form is sent with each payment to the city to provide the Treasurer and Comptroller with the necessary information to allocate and disburse the monies. The office has disbursed all monies properly that they have identified to date. They are investigating the old bank accounts and manual records to determine if there are additional fees due to the city. Although not repeated in the current MAR, the recommendation remains as stated above.

D. Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.

E. Partially implemented. Partial payments are applied automatically by the computer system according to a court cost hierarchy. The office is still attempting to identify partial payments received prior to the Clerk's administration so these funds can be disbursed also. See MAR finding number 1.

3. Child Support Department

A.1. Child support monies were not always recorded to the cash control records on a timely basis and reconciled to batch totals.

2. We noted 34 of 63 deposits made in September and October 1998 were not timely and daily deposit reports often did not include all batches entered for the day.

3. The Child Support Department did not always agree deposit report totals to monies on hand for deposit.

B. Bank reconciliations had not been prepared on a timely basis.

C.1. The duties of receiving, recording, depositing and disbursing monies were not always adequately segregated and adequate reconciliations of receipt information to deposits were not performed.

2. Three people in the Child Support Department had access to back out receipts; however, no supervisory review of back outs was conducted.

3. Updates made on the computer for payees were not properly reviewed. The same employees entering payments on the system could make changes to the payee's name or address on the computer. Disbursements were automatically made to the payee named on the computer.

4. There was no supervisory review of demand checks issued, and supporting documentation for the checks was not retained in the case files.
- D.1. The open-items balance generated by Missouri Automated Child Support System (MACSS) was not reconciled to the cash balance on a periodic basis. At December 31, 1998, the system cash balance exceeded the open-items balance by approximately \$281,000.
2. The department did not periodically review listings of held payments to ensure that monies held in the account were being distributed when due.
3. An open-items listing for the Parent Locator and Dissolution accounts was not prepared on a regular basis. In addition, at December 31, 1998, old outstanding checks totaling \$91,784 had remained in the Parent Locator bank account in excess of one year.
- E. Adjustments totaling \$32,890 were made to the November 1998 bank reconciliation for checks that were issued with the same identification numbers and were cashed twice by the recipients. The office could not provide a list of check numbers, payees, amounts or case numbers of the items that cleared the bank twice. In addition, other adjustments were made on the November 1998 bank reconciliation for checks and deposits clearing the bank at amounts different than recorded on the books, as well as other miscellaneous bank credits and debits. These adjustments totaled approximately \$66,000. The court had not been scanning their bank statements and following up on these adjustments monthly.
- F. The Child Support Department did not maintain manual records of control totals for voids, back out receipts, deposits, or checks printed to verify with the computer reports generated by the system. We also noted various reports were not printed on a monthly basis.
- G. The non IV-D record-keeping fee was transmitted to the city without the information necessary for the city to allocate and disburse these monies to the appropriate fund.

Recommendation:

The Circuit Clerk:

- A.1. Post all receipts to cash control records on a timely basis and reconcile the composition of receipts to bank deposits. In addition, reconcile monthly system receipt totals with totals of receipts posted and unreconciled batches.
2. Deposit receipts intact daily or when accumulated receipts exceed \$100, and establish procedures to account for all batch numbers assigned.

3. Require someone independent of cash receipting or recording functions to reconcile monies on hand for deposit with reported deposit totals and validated deposit slips.
- B. Prepare monthly bank reconciliations on a timely basis.
- C. Adequately segregate duties or ensure independent, documented reviews of the records are performed. In addition, ensure documentation supporting changes to the system is retained in the case files.
- D. Prepare listings of liabilities and reconcile to the cash balances on a monthly basis. Any differences should be investigated and explained on the reconciliations. The court should also review the listing of held checks on a periodic basis and ensure payments are being distributed when due, and attempt to notify those individuals with payments being held for non-current addresses. Procedures to routinely follow up and reissue any old outstanding checks should be adopted. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions.
- E. Identify instances of duplicate checks clearing the bank, and establish procedures to recoup any monies lost. In addition, procedures should be established to monitor checks and ensure duplicate checks are not issued. The court should also review the monthly bank statements in a timely manner, investigating differences between bank amounts and book amounts, and miscellaneous credits and debits, and ensure follow up actions are taken timely.
- F. Ensure all monthly reports are printed the first day of every month. In addition, manual records of control totals for voids, back out receipts, deposits and checks printed should be maintained and reconciled monthly with the computer reports to ensure the accuracy of the information.
- G. Provide St. Louis City with the information necessary to allow the Treasurer and Comptroller to allocate the non IV-D record-keeping fee.

Status:

A&C. These recommendations no longer apply to the Office. Processing of child support payments has been turned over to the state's Family Support Payment Center.

B, E

F&G. Implemented.

D. Partially implemented. The bookkeeping department reconciles the open items listing to the MACSS account balance monthly. The Circuit Court is no longer responsible for held checks, since the payment process was transferred. An internet site was created to list those individuals with old outstanding checks. See MAR finding number 2.

4. Computer Operations and Controls

- A. Passwords which restrict employee access to MACSS computer files were not kept confidential. In addition, several of the department's employees had access to system features which were not necessary to perform their regular job duties.
- B. Access to certain programs and data files were not adequately restricted on the REJIS system. One employee usually logged onto the computer in the morning and did not log off the computer so other employees could then make changes to computer information without having to log on themselves.
- C. Change reports, which reflect changes to financial records and court minutes, were not generated.

Recommendations:

The Circuit Clerk:

- A&B. Ensure unique passwords are assigned to each employee, passwords remain confidential, and the passwords are used to restrict access to specific computer programs and data files to authorized individuals.
- C. Consider generating periodic change reports. In addition, the Circuit Clerk should ensure that the change reports are received by the proper personnel and all changes are promptly reviewed and any unusual items are investigated.

Status:

A&B. Implemented.

- C. Partially implemented. Change reports are not being printed at this time; however, reports to gain security access are being printed and reviewed by each supervisor. Correction forms are also used to request changes to the financial records. This is approved and posted by the Bookkeeping Supervisor. Although not repeated in the current MAR, the recommendation remains as stated above.

5. Missing Records

Various accounting records maintained by the Child Support Department and records prepared by the Criminal Division were missing.

Recommendation:

The Circuit Clerk ensure all records of the Circuit Court are properly retained and available for review.



Status:

Implemented.

6. Civil Division

- A.1. The balance shown on the open-items listing for many cases included the Court Automation, Family Court, Law Library, and Courthouse Restoration fees even though they had already been disbursed and we noted other cases where the balance shown on the open-items listing was incorrect because modifications had been made to the balance. The open-items listing also included many cases filed by the City Collector, even though these court costs were manually taxed and disbursed monthly.
2. The court's open-items listing did not include cash bonds, registry deposits and guardian ad litem costs.
3. The open-items listings were not reconciled to the Circuit Clerk's applicable cash and investment balances on a periodic basis.
- B. We noted the following problems when comparing the information in the manual case files to the computer financial information:
  - \* The computer indicated law library, courthouse restoration, and court automation fees had been disbursed twice or that these fees had not been disbursed, when it was the court's policy to disburse these monies monthly and the manual case files rarely indicated whether the amounts had been disbursed.
  - \* Some cases had negative balances on the computer when the court was actually holding monies for these cases.
  - \* The computer indicated monies were still being held for many cases filed by the City Collector, although it was the court's procedure to disburse these monies the same month they were collected and the manual case files did not indicate whether the amounts had been disbursed.
  - \* Documentation was not always retained in the manual case file or on the computer to indicate the reasons for the modifications.
  - \* Bills were not always sent to all the responsible parties who owed court costs.
  - \* Instances were noted where the balance on the computer did not agree to the case balance on the open-items listing.

The court did not have a complete history of the financial transactions for each case. The computer contained some of the information and the manual case files contained other information. A supervisory review was not conducted to ensure that the computer information and manual case file agreed.

- C.1. The cashier drawers could be locked, unlocked, and opened with a key allowing the cashiers access to their drawers without ringing in a transaction.
- 2. A printout of the "non-posted" transactions was not periodically run.
- 3. The name of the person making the payment was not always entered into the computer.
- 4. The mail log was not reconciled to the receipts entered for the day and the duties of receiving and recording mail receipts were not adequately segregated.
- D. Several types of court fees had not been distributed to the appropriate funds on a timely basis.
- E. At December 30, 1998, old outstanding checks totaling approximately \$17,000 remained in the Cashier's Refund Account in excess of one year and \$557 in reconciling items that were incorrectly deducted from the bank account also remained in the account.
- F.1. The correction forms were not prenumbered.
- 2. When correcting items on the computer system, documentation was not maintained in the case file nor on the computer system to document the reason for the change.
- G.1. The Finance Department could not locate sixteen selected checks, nine of which had been indicated as void on the court's records.
- 2. Checks were not voided on the computer system in a timely manner.
- H. There was no supervisory review of the disbursements prepared by the Assistant Finance Manager.

Recommendation:

The Circuit Clerk:

- A. Periodically prepare an open-items listing and ensure all balances listed are actually open items and that the listing does not include fees that have already been disbursed. The court should also maintain a record of monies held for cash bonds, registry deposits and guardian ad litem costs. The open-items listings should be periodically reconciled to the balance of applicable civil monies held.

- B. Record in the manual case file the date, amount, and transaction number for monies collected, and the date, amount, and check number of disbursements. In addition, a final financial summary from the computer should be included in the manual case file and should be reconciled to information in the case file. All minute entries should also be included in the case file to properly reflect the current status of the case.
- C.1. Allow access to the cash drawers only when a transaction is rung into the computer and money is collected.
  - 2. Periodically run a printout of non-posted cashiers' transactions and ensure someone independent accounts for the numerical sequence of transaction numbers.
  - 3. Require the cashiers to enter the name of the person making the payment for each receipt entry on the computer.
  - 4. Segregate the duties of receiving and recording the mail receipts. In addition, the mail log should be reconciled to the receipt records daily.
- D. Disburse all court fees monthly to the city and state as required by state law.
- E. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. The Circuit Clerk should consult with the State Treasurer's Office regarding the proper disposition of unclaimed funds. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted. In addition, the Finance Department should review the bank statements monthly and investigate and resolve any reconciling items in a timely manner.
- F.1. Issue prenumbered correction forms and account for the numerical sequence.
  - 2. Maintain supporting documentation for all changes to the computer system and ensure periodic independent review of these changes.
- G.1. Issue stop payment orders, attempt to locate, and void these missing checks. All voided checks should be properly defaced and retained.
  - 2. Ensure returned checks are voided on the computer system in a timely manner.
- H. Perform an independent review to ensure the disbursements appear proper.

Status:

- A. Partially implemented. Currently, the office is researching the status of the outstanding items on the old cases and the open items listing does not agree to the cash balance. See MAR finding number 1.

B. Partially implemented. The Civil Taxing Department records the monies collected for each case and the court costs assessed on the inside back cover of the case file. A copy of the minute entries is also maintained in the case files, although a final financial summary is not. The disbursement information including the check number and date are not in the case file; however, it is maintained in the computer system. Although not repeated in the current MAR, the recommendation remains as stated above.

C.1. Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.

C.2-4,

D,

F-H. Implemented.

E. Partially implemented. The office issued letters to attempt to disburse the monies. See MAR finding number 2.

7. Costs for Civil Cases

A. The court was holding over \$8.5 million at June 2, 1999, on cases that had already been finalized and the court was holding \$523,460 at June 30, 1999, on cases that were finalized between August 1, 1998 and May 30, 1999.

B.1. The Circuit Clerk did not adequately pursue the collection of accrued court costs.

2. A receivables list was not maintained from July 1997 to December 1998, to summarize total amounts due to the court.

C. Many of the funds held on deposit in the civil account were for old cases which contain deposits insufficient to cover all court costs charged in the case.

Recommendation:

The Circuit Clerk:

A. Consider either using the plaintiff's initial deposit to pay out court costs assessed against the defendant on all cases or refund the plaintiff's initial deposit when the costs are assessed against the defendant.

B. Maintain a listing of, and periodically follow up on, accrued costs. In addition, the court should send out second billings on costs that remain unpaid after a certain period of time.

- C. Identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases by paying out monies in accordance with legal provisions or opinions.

Status:

- A. Partially implemented. The office has an individual who is examining these old cases and applying the deposits. The open items listing has been reduced approximately \$238,000 since June 30, 2000. See MAR finding number 1.
- B. Partially implemented. A listing of accrued costs is not maintained; however, a query report is run to follow up on cases needing to have costs applied. Second billings are sent to the responsible party. See MAR finding number 2.
- C. Not implemented. See MAR finding number 1.

8. Certified Copies Department

- A. The Certified Copies Department did not account for the numerical sequence of prenumbered request forms used as receipt slips and a reconciliation between request forms returned by the Cashier's Office and request forms on file with the Certified Copies Department was not performed.
- B. The Certified Copies Department did not transmit monies received in the mail to the Cashier's Office on a timely basis.
- C. The Certified Copies Department did not always indicate why a request for copies was not charged.
- D. Checks and money orders received through the mail were not restrictively endorsed immediately upon receipt.

Recommendation:

The Circuit Clerk:

- A. Require someone independent of handling the copy receipts to periodically account for the numerical sequence of the request forms and reconcile payments shown on the request forms to payments entered for copies in the Cashier's Office.
- B. Transmit receipts intact daily or when accumulated receipts exceed \$100.
- C. Require appropriate information and the reasons for not charging for copies be documented on all request forms as applicable.

- D. Restrictively endorse checks and money orders immediately upon receipt and prepare a list of mail receipts when the mail is opened. In addition, someone independent should reconcile the mail listings to monies transmitted.

Status:

A&B. Implemented.

- C. Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.
- D. Partially implemented. All checks are restrictively endorsed immediately upon receipt; however, a mail log is not being prepared. Although not repeated in the current MAR, the recommendation remains as stated above.

9. Garnishment Office

- A. Disbursements were not made immediately after the ten-day holding period as established by "local order" Rule No. 82.3.1.
- B. Monthly open-items listings were prepared by the Garnishment Office; however, the listings were not reconciled to the bank account balance. The total identified open items at December 31, 1998, exceeded the balance in the bank account at that date by approximately \$73,300.
- C. At December 31, 1998, old outstanding checks totaling \$5,828 had remained in the garnishment bank account in excess of one year.

Recommendation:

The Circuit Clerk:

- A. Disburse monies immediately after the ten-day holding period according to local orders. The court should consider reconstructing case files that cannot be found so disbursements can be made in a more timely manner.
- B. Investigate and resolve differences between the monthly open-items listings and the balances in the bank account. The open-items listings should be reconciled to the balance in the bank account on a monthly basis.
- C. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted.

Status:

- A. Implemented.
- B. Not implemented. See MAR finding number 1.
- C. Partially implemented. Two attempts have been made by the office to locate payees and the number of outstanding checks has been reduced by these efforts. See MAR finding number 2.

10. Special Interest Account

Bids were not always solicited for major purchases nor was bid documentation always retained.

Recommendation:

The Circuit Clerk solicit bids for all major purchases and retain appropriate documentation of these bids. In situations where bids cannot be taken, the reasons for not taking bids should be documented and retained.

Status:

Implemented.

11. Juvenile Office

Accounting duties were not adequately segregated. One court clerk prepared the court cost bills, received monies, and recorded receipts. Further, there was no documented independent review of accrued cost files.

Recommendation:

The Circuit Clerk adequately segregate the duties of billing, collecting and recording court cost payments. At a minimum, there should be a documented supervisory review of the various supporting records.

Status:

Implemented.

SPECIAL REVIEW OF THE CIRCUIT CRIMINAL DIVISION -  
FINANCE DEPARTMENT - CASH BOND DEPOSITS

1. Missing Funds

Fifteen cash payments for bonds posted between December 20, 1997 and November 21, 1998, were altered and, therefore, portions of the cash bond payments received, totaling \$9,300, were not properly recorded and deposited.

In April 1999, the employment of the cashier/bookkeeper responsible for collecting some cash bond payments and recording all cash bond activity was terminated.

Recommendation:

The Circuit Clerk work with law enforcement officials regarding restitution of the missing monies and any criminal prosecution considered necessary.

Status:

Implemented. Restitution was collected in full from the employee responsible.

2. Accounting Controls and Procedures

- A. The Finance Department personnel could not locate open-items listings prepared prior to December 31, 1998. In addition, the bond open-items listings did not reconcile to the balance in the bond account. The total identified open items at December 31, 1998, exceeded the balance in the general ledger bond account at that date by \$638,112.
- B. The duties of receiving and recording cash bond monies collected by the Finance Department were not adequately segregated. The former Bookkeeper performed both of these duties, as well as processing and recording bond disbursements. No one independent of the process reconciled bond receipts recorded in the one-write receipt ledger with amounts recorded in other bond records.

Recommendation:

The Circuit Clerk:

- A. Investigate and resolve differences between the open-items listings and the balances in the general ledger bond account. Any identified shortage should be investigated and resolved. All bond receipts and disbursements should be properly recorded to the bond ledger, and accurate open-items listings should be prepared periodically and reconciled to the balance in the general ledger bond account.
- B. Provide for an adequate level of segregation of duties between receiving, recording, and depositing monies collected by the Criminal Finance Department. In addition, the Circuit Clerk should provide for a documented review of accounting records by an independent person.

Status



- A. Not implemented. See MAR finding number 1.
- B. Implemented.

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

Organization

The Twenty-Second Judicial Circuit includes only St. Louis City. The circuit consists of twenty-four circuit judges, one of whom serves as presiding judge, seven associate circuit judges, five commissioners, and one deputy commissioner.

In addition to the judges, the personnel of the Twenty-Second Judicial Circuit, St. Louis City, Missouri includes the Circuit Clerk, twenty-six court reporters, a court administrator, a jury supervisor, a juvenile officer, and approximately 480 other court employees. Approximately 160 of these employees work under the supervision of the Circuit Clerk.

The Circuit Clerk is elected for a four-year term. The Circuit Clerk's Office plans, assigns, coordinates, and supervises the operation and administration of the circuit court presided over by the circuit judges. Duties of the Circuit Clerk include: docketing, clerical tasks, documentation of court matters, accounting and recording, receipting and disbursing funds through the circuit and associate circuit divisions, and administering the operations of the court.

Operating Costs

Most operating expenses of the Circuit Clerk's office are paid by St. Louis City, with the balance of expenses paid with interest money earned on court deposits. The salaries of the Circuit Clerk and permanent Circuit Clerk personnel are paid by the State of Missouri.

Caseload and Time Standards Statistics

Caseload statistics of the filings and dispositions as provided by the State Court Administrator's Missouri Judicial Reports, are as follows:

Type of Case	Year Ended June 30,			
	2001		2000	
	Filings	Dispositions	Filings	Dispositions
Civil	32,101	32,809	31,887	29,546
Criminal	13,037	11,209	13,665	12,507
Juvenile	6,480	6,522	5,596	5,394
Probate	1,422	1,010	1,047	1,030
Total	53,040	51,550	52,195	48,477

Compliance by the Twenty-Second Judicial Circuit, St. Louis City, Missouri, with time standards for disposition of certain types of cases, provided by the State Court Administrator's Missouri Judicial Report for fiscal year 2001, is as follows:

Type of Case	Time Standard	Twenty-Second Judicial Circuit St. Louis City, Missouri		State Total
Circuit Civil	90% in 18 months	76 %		78 %
	98% in 24 months	85		87
Domestic Relations	90% in 8 months	81		81
	98% in 12 months	89		89
Associate Civil	90% in 6 months	89		85
	98% in 12 months	97		96
Circuit Felony	90% in 8 months	79		85
	98% in 12 months	92		92
Associate Criminal	90% in 4 months	78		77
	98% in 6 months	87		88

#### Personnel

On June 30, 2002, key personnel in the office of the Circuit Clerk were:

Circuit Clerk, Mariano V. Favazza  
 Chief of Staff, Kathy Gamache  
 Director of Finance, Ken Steinkamp  
 Assistant Director of Finance, Melvin Kindle

An organization chart follows:

TWENTY-SECOND JUDICIAL CIRCUIT  
ST. LOUIS CITY, MISSOURI  
CIRCUIT CLERK'S OFFICE  
ORGANIZATION CHART  
JUNE 30, 2002

